

VZCZCXRO3835  
RR RUEHMA RUEHPA RUEHTRO  
DE RUEHNK #0051 0210840  
ZNR UUUUU ZZH  
R 210840Z JAN 10  
FM AMEMBASSY NOUAKCHOTT  
TO RUEHC/SECSTATE WASHDC 9036  
INFO RUEHZK/ECOWAS COLLECTIVE  
RUCNMGH/MAGHREB COLLECTIVE  
RUEHDS/USMISSION USAU ADDIS ABABA

UNCLAS NOUAKCHOTT 000051

SIPDIS

SENSITIVE

FOR EEB/IFD/OMA

E.O. 12958: N/A

TAGS: [EAID](#) [ECON](#) [EFIN](#) [PREL](#) [MR](#)

SUBJECT: MAURITANIA'S RESPONSE TO CENTRAL GOVERNMENT BUDGET  
TRANSPARENCY REQUEST

REF: SECSTATE 01923

¶1. (SBU) The Government of the Islamic Republic of Mauritania is expected to receive SFOAA funding during FY 2010. While Mauritania continues to face technical and capacity challenges with fiscal transparency, assessments from U.S. Embassy, World Bank and IMF officials working in country indicate that there is a commitment from the Mauritanian government to manage resources in a more transparent fashion. While corruption and financial mismanagement is wide-spread in Mauritania, the annual budgeting process is relatively open and transparent.

¶2. (SBU) Mauritania's annual budget is openly debated in Parliament on an annual basis and is published for public review. Mauritania's 2010 budget was debated in Parliament and passed in late December 2009 and includes detailed figures on income and expenses. Mauritania is a participant in the World Bank's PRECASP (Public Sector Capacity Building Program) which consults with the GIRM to devise a more transparent budget to assist Mauritania to meet its Millennium Development Goals. As a result of Mauritania's participation in the PRECASP process there is a greater sense of accountability as the annual budget is published. As the fiscal year 2009 came to a close, it was apparent that the 2009 budget which had been drafted one year earlier was not an accurate reflection of the income and expenses for 2009. As a result, before the 2010 budget was drafted, the GIRM published a revised 2009 budget showing with more accuracy the actual income and expenses for the previous year. This revised 2009 budget was presented to the Parliament and the public for review. This exercise reflects the sentiments of many IMF and World Bank Officials in Mauritania, that while the country lacks the expertise to accurately draft an effective annual budget, government efforts to account for expenditures and income, even after the fact, demonstrate a willingness to improve the Mauritanian budgeting process.

¶3. (SBU) The IMF and World Bank both announced a re-engagement with Mauritania following the summer 2009 Presidential elections to include proposals which will assist Mauritania in the realm of public finance and transparency. With World Bank encouragement, the 2010 budget was drafted differently than previous budgets. Historically, each Ministry was given a set amount of funding and the Ministers then distributed the money throughout their various ministerial departments. For 2010, each department in every Ministry was asked to present to the Minister a summary of their budgetary needs for the fiscal year ahead. Using the collected departmental budgets, each Ministry then presented a complete Ministerial budget for review. The objective of this budget building exercise was to present a greater sense of clarity in each Ministry about their expense centers and produce a more competitive process for requesting very

limited funding. The World Bank and IMF have both expressed concerns that the budget still does not allow flexibility to handle and control unanticipated expenses, but they note that the GIRM continues to make progress in this regard.

HANKINS